

**Draft Meeting Summary
Working Landscape Subcommittee
California Bay Delta Public Advisory Committee
January 8, 2004; 9:00 am – 12:00 pm**

Subcommittee web site:

<http://calwater.ca.gov/BDPAC/Subcommittees/WorkingLandscapesSubcommittee.shtml>

Denny Bungarz began the meeting about 9:15 by asking if the minutes were acceptable. Tom Zuckerman noted he is from the Central, not South, Delta Water Authority, but otherwise the minutes were accepted. Introductions were made.

1. Chair's Report

a) California Bay-Delta Authority (CBDA) Independent Science Board (ISB) and socioeconomic expertise: Ken Trott gave a brief review of the issue. The Working Landscape Subcommittee (WLS) previously made a recommendation that the CBDA ISB include someone with a strong socioeconomic background. Last summer, a memo to the Bay Delta Public Advisory Committee (BDPAC) was drafted, putting forward a request for such expertise to be included on the Authority's Independent Science Board (ISB) being formed. Because the announcement of the first round of appointments was to be made shortly, the Working Landscapes (WLS) Subcommittee held off on forwarding the request. Trott noted that now that the appointments have been made, it looks like the ISB still is short of an expert in socioeconomics. The question presented was, how should WLS proceed with the prior recommendation?

Casey Walsh Cady reported that she had spoken to the CBDA Science Program staff who expects more appointments to be made. They were therefore open to recommendations, either formally or informally.

Dave Zezulak suggested an additional strategy might be to participate in the upcoming interview/seminars of the four short-listed Lead Scientist positions. The Subcommittee felt that that it would be good to impress upon the new Lead Scientist the importance of socioeconomics and that it would be useful to attend the seminars (January 15, 16, 26. and 27).

The Subcommittee agreed that this area of expertise needs representation on the ISB and that a recommendation to BDPAC proceed. However, the Subcommittee recommended that contact with the other BDPAC Subcommittees be made to enlist their support. Subcommittee members and staff were directed to approach the other BDPAC subcommittees, present the proposal, and invite any that wish to do so to join WLS in presenting the request.

b) October 2004 CBDA Science Conference: Ken Trott asked if any progress had been made to see if Allen Savory could speak at the upcoming CBDA Science Conference (see September xx WLS minutes). Dave Zezulak had been going to check on this, hadn't been able to yet, but would renew efforts. Dan Ray said that the planning for the Conference

hasn't been finalized so it's likely not too late. Ray expressed concern as to whether the Conference can occur at all because of the current state ban on conferences and travel.

2. Agency Reports

California Department of Food and Agriculture (CDFA)

Ken Trott reported that CDFA had recently provided comments on two US Fish and Wildlife Services (US FWS) proposed revisions to the ESA rules. The first is concerned with Safe Harbor Agreements and ESA permitting. The proposed revisions are designed to make Safe Harbor Agreements and Candidate Conservation Agreements with Assurances easier to understand and implement. The second proposed revision deals with revisions to ESA incidental take permitting to clarify application requirements and issuance criteria for habitat improvement projects. The initial comment period ended November 10, but USFWS has stated that they will re-open the comment period, probably for another 30 days; the new comment period has not been announced yet.

Trott also stated that CDFA will comment on the proposed rules for the Farm Bill's new Conservation Security Program (CSP). The comment period is January 2 – March 1. There may be a cap on the program of \$40-50 million, nationally. He reported that the 2004 budget may go to one or two states for a CSP pilot. Ryan Broddrick asked if this was going to be a dilute, minor national effort or if it's something WLS and the agricultural community should push. Luana Kiger with NRCS strongly encouraged people to comment, even if it's only a pilot at this stage. This is an entitlement program, and Washington could drop the program if there's not strong support for it. Plus, if there aren't many comments, it gives Washington more opportunity to structure the program in ways not helpful to California. Broddrick asked if it will be limited to one watershed per state. Kiger responded that this hadn't been decided and will be influenced by comments. Dan Ray voiced hopes for the program as it would reward areas that are already doing good work and encourage them to keep at it. Others noted similar perceptions about the need to support conservation efforts and make sure good actors stay afloat, as conservation often does lead to higher costs. CDBA, CDFA, and DFG are planning to work together to develop their comments and that other agencies that were interested should consider joining them. Kiger stated that Helen Flach is the program manager for the CSP and she could give a presentation to WLS at its next meeting. She also said that Flach could be available for a conference call to explain the proposed program and answer questions. Copies of the CSP rules were also made available.

Zuckerman brought up that, as a landowner in the Delta, it's hard to know which USDA programs are pertinent in any given area and that it would be extremely helpful to have a workshop that laid out the various programs. Several other landowner representatives expressed similar views. Zuckerman offered to host such a meeting in the Delta. Trott mentioned that Bruce Knight, Chief of NRCS in Washington, D.C. will be having a series of listening sessions across the country about the CSP rules, and it might be possible to get one of those sessions in California (subsequent to this meeting it was learned the he won't be holding a session in California, but the state NRCS will hold three of their own in cooperation with CDFA/Resources). Kiger pointed out that the purpose of those sessions differs substantially from the kind of meeting that Zuckerman was describing and the two

probably couldn't be profitably combined. Kiger expressed an interest in Zuckerman's suggestion nonetheless and the two will consult about possibilities.

Trott reported that on December 29, 2003, CDFA's Secretary, A.G. Kawamura and the Secretary of the Resources Agency, Michael Chrisman, met with Chuck Bell, the State Conservationist for NRCS. The purpose of the meeting was to introduce themselves and express their strong interest in cooperation and coordination between the agencies. Staff hopes this will lead to improved cooperation on CALFED implementation among the agencies. Kiger said NRCS was impressed to have two California state agency heads visit together and felt that this was a positive development.

Trott also reported that Chuck Ahlem has been appointed as the new Undersecretary of CDFA.

Dept. of Pesticide Regulation

Belinda Messenger mentioned that although funding for pest management alliances has been cut, they were able to partner with US EPA to continue funding for almond growers through the Almond Board. Funds will be used for outreach and extension to farmers about the results of earlier research on dormant spray possibilities, with some focus on the conditional agricultural waivers. They are still finding a fairly high level of unawareness about the latter among farmers. They've reached about 400 growers so far.

The dormant spray regulations are in development, and they are working on BMPs as well. They are doing some residue analysis in almonds. In answers to questions, Messenger said that the analyses were related to applications, not fate and transport, and that the information generated would be shared with the county ag commissioners.

Messenger also reported that DPR had recently put its surface water monitoring database on line. It is available at www.cdpr.ca.gov/docs/surfcont.htm. Broddrick said this database could be helpful to ag waiver coalitions in meeting the data requirements for the Notice of Intent. He also said that Ducks Unlimited has a related GIS database for 18 counties around the Sacramento Valley that provides other necessary information such as crop and pesticide history, and farm demographics.

Department of Fish and Game (DFG)

Dave Zezulak said that they are spending a lot of time with the Year 4 ESA consultation. He explained that under the Record of Decision, DFG has a regulatory requirement to do a year-4 ESA re-consultation, along with NOAA Fisheries and FWS, concerning the progress towards meeting certain milestones agreed to in the CALFED ROD. There are 119 milestones related to ESA issues that must be evaluated. They are evaluating about 400 projects undertaken by CALFED to see how each has affected each of the milestones. They must provide this evaluation to the ESA and CESA branches of the implementing agencies, showing what has been accomplished and where the emphasis needs to be shifted. The implications of failing scores can be high, and may impact proceed on water management alterations requires making progress on ESA issues. The report is due to the federal regulatory agencies in mid-March and the consultation is to be completed mid-September.

The report will also be relevant to the general question, what has been accomplished by CALFED's (various efforts at "look-backs), and it could affect the course of future PSPs.

Zezulak also mentioned that they are continuing work on the development of a publicly accessible database showing the grants that have been awarded by CALFED-ERP (including accomplishments) as well as related grants from other groups and agencies. This database is part of their Year 5 workplan. Zezulak said they have met several times with other agencies to try to reconcile their database structures so there can be some useful level of integration. It's beginning to come together on the larger issues though there are still many details to work out.

Burt Bundy said that Sacramento River Conservation Area Forum has developed a website showing the results of projects done on the Sacramento River and they also were supporting a web site with CSU Chico that provided a lot of information on recreational possibilities on the river (see also last meeting's minutes).

Zezulak stated that in reality there were various ends that needed to be served in running the CALFED projects and that the emphasis in monitoring progress is fundamentally shifting. Up until recently, they have focused more on financial performance measures (#'s of projects, funding amounts). The emphasis is shifting to evaluating project accomplishments and the overall effect of the program on the ecosystem.

Broddrick asked what the status is on the State Wildlife Plan, which is due in October and must be certified by the Secretary of the Interior, or California will lose some wildlife funds. Zezulak warned that he's not directly involved with that program, but from what he knew, the effort has been contracted to a faculty member of the UCD veterinary school and five staff there are working on it. He provided names of several DFG staff more closely aligned with the effort. Broddrick suggested WLS staff keep their eye on this issue as it concerns money for California. Walsh Cady asked if we should have UCD make a presentation to WLS, but this was not resolved.

California Bay-Delta Authority (CBDA)

Dan Ray said that much of CALFED's recent efforts are focused on the South Delta improvements, with which he has little involvement. As for the Ecosystem Restoration Program, they are finishing up the last pending grants still to be awarded or declined from the 2002 PSP. Three have to do with weed control. The proponents are practically oriented, focused heavily on killing weeds. This has run up against CALFED's emphasis on adaptive management and science, and it's been something of a struggle for the proponents to bring these aspects into their programs. The Selection Panel should be acting on the last proposals by February.

A serious concern at present is the ban on state contracting. The Governor has banned the letting of contracts as part of the budget crisis, and state grants are structured as contracts. This is slowing down the disbursement of grants. They are working on an exemption.

The next ERP Proposal Solicitation Process (PSP) is still up in the air. The present approach they are following is to first do a very modest PSP just to monitor and evaluate

previously funded restoration projects. The succeeding PSP would be a large, general PSP open to all categories of work, but would not be scheduled until a look back exercise has been completed to better identify areas of emphasis. Broddrick asked how this will affect kind of program that might be needed for WLS. Ray replied that it's an issue. The original approach to the next grant program had been a series of PSPs, each with different topical emphases, and one of them could have been WLS. The ERP Science Board (SB) reacted very negatively to the idea of focused PSPs and strongly prefers the broad PSP that was employed in previous rounds. The managers of the implementing agencies have moved towards that stance. Zezulak pointed out that under that system, some important milestones are not only not being met, but they are effectively being ignored. The PSP depends upon proponents bringing forth proposals, and if no one comes forward with a proposal that addresses a milestone, that milestone effectively falls behind. Trott has asked Ray to elaborate on status of milestones.

3. Public Comment

Potential Joint meeting with Environmental Justice Subcommittee

Ken Trott informed the group that he's the CDFA liaison for the Environmental Justice (EJ) Subcommittee, and EJ would like to have a joint meeting with WLS to cover the topic of water transfers. The subcommittee was amenable but Chairman Ryan Broddrick stipulated that all water transfers, including EWA and EWP, should be included on the agenda and that all sides, including water agencies, should be represented.

4. ERP and Land Evaluation and Site Assessment

At the last meeting, an interest had been expressed about looking at a few real-life examples where LESA had been applied. (LESA stands for Land Evaluation and Site Assessment and is a tool for evaluating the impact of land use proposals on agricultural resources; see October and November 2003 meeting summaries). Today's agenda was to include two presentations on projects where LESA had been used in the CALFED Solution area. One of the presenters was to be Sara Schultz with U.S. Army Corps of Engineers on the Hamilton City project. Ms. Schultz was unable to make the meeting. She sends regrets and would like to be on next month's agenda.

Dan Ray ran through two examples of where CALFED had used LESA to evaluate acquisitions. One was the 122-acre Silverado property in the lower Cosumnes River area, and the other was Prospect Island. He showed the calculations involved in LESA (including soil quality, water availability, and impacts on surrounding ag lands for the two examples), calculations of the overall LESA score, and the criteria levels for judging impact. He pointed out that some judgment and variability is possible in defining impacts on surrounding lands, particularly with respect to the definition for "protected" lands. The outcome for the two acquisitions was different, with LESA indicating the impact for the Silverado property was non-significant, but significant for Prospect Island. (Both tracts were eventually acquired. In the case of Prospect Island, though the LESA scores (state and federal) exceeded significant thresholds, the environmental documents filed were a finding of no significance and mitigated negative declaration. The LESA scores notwithstanding, neither document considered the agricultural land impacts significant.)

Dan Ray concluded that LESA was a valuable and useful tool, but many participants pointed out several caveats. These included: 1) that LESA was meant to be modified by local agencies to take into account local situations, and just because it may ignore locally important factors in some incarnation didn't mean that it couldn't be modified to include them; 2) LESA may not take into account every site-specific peculiarity, 3) LESA is only one piece of information that should be used to inform a decision. In the case of Silverado, the LESA determination was reinforced by other problems that made agricultural activities difficult, particularly access to the fields. In the case of Prospect Island, Department of Water Resources over rode the LESA determination due to a history of repeated flooding and the costs of reclamation and levee repair, Trott noted that too often the LESA analyses get done in the midst of acquisition, when the land-use alternatives have already been limited. He pointed out that it should be used more for project design and planning to avoid the impacts altogether.

4. Payment of In-Lieu Taxes (PILT) Workgroup Update

Denny Bungarz announced that the work group had met recently and is still working on developing its recommendations. Copies of the latest minutes were distributed. Bungarz said that the National Association of Counties is also interested in this topic, so timing of the work group may be good. The PILT Work Group is focusing its attention on several areas including: 1) the possibility of requiring/establishing a PILT account for each CALFED project that has an impact on local tax bases; 2) apply PILT to other DFG programs, 3) The possibility of changing the valuation of lands under PILT as regional land values change over time.

Bill Geyer asked how PILT and the Williamson Act interacted. Burt Bundy replied that Williamson Act subventions do not influence PILT payment. The next meeting of the PILT workgroup will be Jan. 26, 10:30 am in Woodland.

Burt Bundy handed out a report on the economic impacts of public land acquisitions and restoration in Glenn Co. prepared by David Gallo with Chico State University.

5. Department of Water Resources - State Water Plan (B. 160) - Elizabeth Patterson

Elizabeth Patterson gave a presentation on an agriculturally-related strategy in the State Water Plan (SWP, also known as Bulletin 160). As background, she gave some description of the development of the Water Plan. In the past rounds of updating the plan, it was done internally in Department of Water Resources (DWR), followed by public hearings. Through legislative requirements this round (2003), it is a stakeholder process where 60-70 stakeholders have been meeting repeatedly over the last 2 years. It took a long time to agree on basic principles, which include fundamentals that all approaches must have in common, and portfolio-based water management. Although the stakeholder process has a lot of value, it is very time consuming and has run into statutory requirements to produce plans and documents on a rigid schedule. In order to meet requirements, the Plan is going to be released in three volumes. Vol.1 is the "strategic plan" purpose, principles, process, methodology and fundamental understandings for scenarios of plausible futures. Vol. 2 looks at data about regional water sources and use for urban and industrial growth and for ag. Vol. 3 is a reference guide supporting Vol. 1 and 2, and Volume 4 is the detailed documentation and technical guide.

Patterson then focused on the ag-related strategy, entitled "Ag Lands Stewardship" – formerly Working Lands Management - which is in draft (number 11). She provided copies and said it is available on DWR's web site:

(<http://www.waterplan.water.ca.gov/b160/workgroups/chapterreviewgroup.htm#Appendix1>).

It is one of 27 topic-related strategies, each being worked on by a different workgroup. This was one of the last topic areas to be suggested for the SWP, so it got off to a late start. She would like comments including whether or not this strategy should be supported, because, the first time the strategy was presented to the SWP Advisory Board, the reaction was tepid which may mean that it could be dropped or combined into the watershed strategy, where it would be diluted or lost.

She then described some of the major points and sections in the strategy. First, they tried to distinguish agricultural land stewardship from a standard watershed approach, and they focused on the possible contributions and issues specific to crop and grazing lands. There's a section on "smart" land use and the need for better urban land development to avoid potential impacts on ag land stewardship management and also to integrate ag stewardship management for the multi-objective management values of floodplain, conjunctive use and water supply. The use of land fallowing is distinguished from land retirement to provide a potential source of water during dry cycles. Land retirement is defined as the cessation of irrigation and has been downplayed in this strategy relative to early rounds of the SWP. The focus now is on ag stewardship management as a private lands strategy to be integrated with regional water management. Each topic strategy must have sections on potential costs and benefits. The section on potential cost was difficult for the WG to get a handle on.

Comments on this draft were due January 12, but Patterson will accept comments up until January 22nd. She noted that she personally thought this strategy was worthy of inclusion in the Water Plan and encouraged people to consider supporting the strategy to ensure that it survives as a separate section in the Plan.

Broddrick emphasized the need to present agriculture's case separately from watersheds. Jeff Sutton stressed the need to point out the potential costliness of conservation practices. Aaron Ferguson wondered whether the strategy was really consistent with the Plan, which he perceived as a description of the current situation. Patterson replied that the plan does give a description but also provides strategies and is trying to get away from a situation where the only determinant of the Plan is demand, without any reference to other related factors. Broddrick noted there was nothing about maintenance of infrastructure in the strategy; Patterson replied that would be covered in the strategies about conveyance and storage. Zezulak suggested that Irrigation Districts and Water Districts need to begin considering the potential effect of their maintenance programs on ESA species, to be proactive with respect to regulatory requirements.

5. Public Comment: None were offered.

6. Next meeting: Feb. 5, 9-12, at California Department of Food and Agriculture, Room A-477, 1220 N Street, Sacramento